

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

**USDC SDNY
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ELECTRONICALLY FILED
DOC #:
DATE FILED: 3/4/08**

ANDIN INTERNATIONAL, INC.

Civil Action No. 08 cv 1159(MB)

Plaintiff,

ECF CASE

- against -

YURMAN STUDIO, INC.

**UNDERTAKING ON
STIPULATION AND ORDER**

Defendant.

YURMAN STUDIO, INC.

Bond No. CMS 239332

Defendant-
Counterclaimant,

- against -

ANDIN INTERNATIONAL, INC.,
WAL-MART STORES, INC., and
VARDI GEM LUSTRE, LLC

Counterclaim-
Crossclaim Defendants.

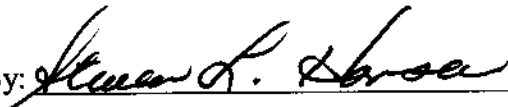
WHEREAS, by Stipulation and Order dated and filed on February 29, 2008 (the "Order"), plaintiff Andin International, Inc. ("Andin") was required to file an undertaking in favor of defendant-counterclaimant Yurman Studio, Inc. ("Yurman") in the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00), as a condition to obtaining the relief set forth in the Order;

NOW, THEREFORE, we, Andin, a corporation organized and existing under the laws of the State of New York, as Principal, and RLI Insurance Company, a corporation organized and existing under the laws of the State of Illinois and authorized to transact business in the State of New York, as Surety, in consideration of the premises and the issuance and entry

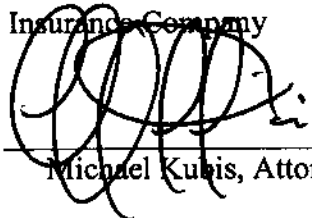
of the Order, do hereby jointly and severally undertake to pay to Yurman all sums set forth in the Order that may be decreed by the court to be owed to Yurman, such amount not to exceed the amount of Two Hundred and Fifty Thousand Dollars (\$250,000.00).

IN WITNESS WHEREOF, we have each set our hand this 4th day of March,
2008.

Andin International, Inc.

By: 
CEO

RLI Insurance Company

By: 
Michael Kubis, Attorney-in-Fact

Approved 3/4/08
S. Michael M. Mullen
Clark
By 2
Dillon

SURETY ACKNOWLEDGMENT

Form 152

STATE OF NEW YORK
COUNTY OF NEW YORK

On this 4th day of March, 2008 before me personally came Michael Kubis to me known, who, being by me duly sworn, did depose and say that he resides in Kings County, NY that he is the ATTORNEY-IN-FACT of the RLI Insurance Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

(SEAL)

Evangelina L. Dominick
NOTARY

EVANGELINA L. DOMINICK
Notary Public State of New York
01DO4769474
Qualified in Westchester County
Term Expires January 31, 2011

CORPORATE ACKNOWLEDGMENT

Form 152

STATE OF NEW YORK
COUNTY OF NEW YORK


On this 4th day of MARCH, 2008 before me personally came
— STEVEN HANSEN —

to me known, who, being by me duly sworn, did depose and say that he/she resides in
PARKLAND, FL that he/she is the CFO of

— ANDIN INTERNATIONAL INC —

the corporation described in and which executed the above instrument; that he/she knows the
seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it
was so affixed by order of the Board of Directors of said corporation, and that he/she signed
his/her name thereto by like order.

(SEAL)



CHRISTOPHER BECKSTROM
Notary Public, State of New York
No. 01BE6088633
Qualified in New York County
Commission Expires March 10, 2011



RLI Surety
P.O. Box 3967 | Peoria, IL 61612-3967
Phone: (800)645-2402 | Fax: (309)689-2036
www.rlicorp.com

POWER OF ATTORNEY

RLI Insurance Company

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That **RLI Insurance Company**, an Illinois corporation, does hereby make, constitute and appoint:

Robert McDonough, Glenn Pelletiere, Thomas Rhatigan, Debra A. Deming, Betty Calderon, Cynthia Farrell, Halina Kazmierczak, Vivian Carti, Sandra Diaz, Evangelina Dominick, Annette Leuschner, Ann Marie Keane, Michael Kubis, Susan Ravid, Valorie Spates,
jointly or severally.

in the City of New York, State of New York its true and lawful Agent and Attorney in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following described bond.

Any and all bonds provided the bond penalty does not exceed Twenty Five Million Dollars (\$25,000,000.00).

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

The **RLI Insurance Company** further certifies that the following is a true and exact copy of the Resolution adopted by the Board of Directors of **RLI Insurance Company**, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the **RLI Insurance Company** has caused these presents to be executed by its Vice President with its corporate seal affixed this 22nd day of February, 2008.



RLI Insurance Company

By: Roy C. Die Vice President

State of Illinois }
County of Peoria } SS

On this 22nd day of February, 2008, before me, a Notary Public, personally appeared Roy C. Die, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the **RLI Insurance Company** and acknowledged said instrument to be the voluntary act and deed of said corporation.

By: Jacqueline M. Bockler Notary Public



CERTIFICATE

I, the undersigned officer of **RLI Insurance Company**, a stock corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the **RLI Insurance Company** this 4th day of March, 2008.

RLI Insurance Company

By: Roy C. Die Vice President



RLI Insurance Company
P.O. Box 3887 Peoria IL 61613-3887
Phone: 309-692-1000 Fax: 309-692-9937

RLI Insurance Company

December 31, 2006

Admitted Assets

Investments:	
Fixed maturities	\$ 670,885,254
Equity securities	685,880,804
Short-term investments	30,802,482
Real estate	6,093,519
Cash on hand and on deposit	-3,888,888
Other invested assets	9,800,000
Agents' balances	90,176,888
Investment income due and accrued	6,008,485
Funds held	4,000
Reinsurance recoverable on paid losses	23,787,293
Federal income taxes receivable	0
Electronic data processing equipment, net of depreciation	1,067,717
Receivable from affiliates	0
Other admitted assets	4,713,544
Total Admitted Assets	\$ 1,368,310,095

Liabilities and Surplus

Liabilities:	
Reserve for unpaid losses and loss adjustment expenses	\$ 388,274,188
Unearned premiums	188,212,740
Accrued expenses	48,748,832
Funds held	978,888
Advance premiums	2,888,782
Amounts withheld	13,488,228
Ceded reinsurance premium payable	30,888,781
Payable for securities	1,082,880
Statutory penalties	2,847,000
Federal income tax payable	23,811,834
Borrowed money and accrued interest	0
Drafts outstanding	0
Payable to affiliates	1,024,908
Other liabilities	1,578,888
Total Liabilities	\$ 813,404,880
Surplus:	
Common stock	\$ 10,800,375
Additional paid-in capital	242,451,064
Unassigned surplus	494,483,855
Total Surplus	\$ 746,805,415
Total Liabilities and Surplus	\$ 1,368,310,095

State of Illinois

County of Peoria

The undersigned, being duly sworn, says: That he is the President of RLI Insurance Company; that said Company is a corporation duly organized, in the State of Illinois, and licensed and engaged in business in the State of NEW YORK and has duly complied with all the requirements of the laws of said State applicable of said Company and is duly qualified to act as Surety under such laws; that said Company has also complied with and is duly qualified to act as Surety under the Act of Congress approved July 1947, 6U.S.C sec. 6-13; and that to the best of his knowledge and belief the above statement is a full, true, and correct statement of the financial condition of the said Company on the 31st day of December 2006.

Attest:



{ Corporate Seal Affixed }

Michael J. Stone President

Cynthia S. Dohm Assistant Secretary

Sworn to before me this 23rd day of February, 2007.



{ Notarial Seal Affixed }

Charle L. Montgomery Notary Public, State of Illinois

M0056307

**CERTIFICATE OF SOLVENCY UNDER SECTION 1111 OF THE NEW YORK
INSURANCE LAW**

**STATE OF NEW YORK
INSURANCE DEPARTMENT**

It is hereby certified that

**RLI Insurance Company
of Peoria, Illinois**

a corporation organized under the laws of the State of Illinois, and duly authorized to transact the business of insurance in this State, is qualified to become surety or guarantor on all bonds, undertakings, recognizances, guaranties and other obligations required or permitted by law; and that the said corporation is possessed of a capital and surplus including gross paid-in and contributed surplus and unassigned funds (surplus) aggregating the sum of \$691,758,11.00 (Capital \$10,000,375.00), as is shown by its sworn financial statement for the quarter ended September 30, 2005 on file in this Department, prior to audit.

The said corporation cannot lawfully expose itself to loss on any one risk or hazard to an amount exceeding 10% of its surplus to policyholders, unless it shall be protected in excess of that amount in the manner provided in Section 4118 of the Insurance Law of this State.



In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Albany, this 6th day of December, 2006.

Howard Mills
Superintendent of Insurance

By

Salvatore Castiglione
Special Deputy Superintendent

<http://www.ins.state.ny.us>

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

----- X
ANDIN INTERNATIONAL, INC.

Plaintiff,

- against -

YURMAN STUDIO, INC.

Defendant.
----- X

Civil Action No. 08 cv 1159

ECF CASE

AFFIDAVIT OF SERVICE

----- X
YURMAN STUDIO, INC.

Defendant-
Counterclaimant,

- against -

ANDIN INTERNATIONAL, INC.,
WAL-MART STORES, INC., and
VARDI GEM LUSTRE, LLC

Counterclaim-
Crossclaim Defendants.
----- X

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

Mark M. Rottenberg, being duly sworn, deposes and says that deponent is a disinterested party, is over 18 years of age, and resides in New York County, New York. That on the 12th day of April, 2006, deponent served the within Undertaking and related papers via e-mail and by mailing the same in a sealed envelope, with postage prepaid thereon, in a post-office or official depository of the U.S. Postal Service and by facsimile within the State of New York, addressed to:

ARNOLD & PORTER, LLP
Louis S. Ederer, Esq.
louis.ederer@aporter.com
399 Park Avenue
New York, New York 10022
(212) 715-1102
Attorneys for Yurman Studio, Inc.

WILMER CUTLER PICKERING HALE AND DORR
Thomas P. Olson, Esq.
thomas.olson@wilmerhale.com
1875 Pennsylvania Avenue NW
Washington, DC 20006
(202) 663-6651
Attorneys for Wal-Mart Stores, Inc. /Sam's Club



Mark M. Rottenberg

Sworn to before me this
4th day of March, 2008



Notary Public

EURYDICE KELLEY
Notary Public, State of New York
No. 02KE6133386
Qualified in New York County
Commission Expires September 18, 20 09

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

-----	X	
ANDIN INTERNATIONAL, INC.	:	Civil Action No. 08 cv 1159
	:	
Plaintiff,	:	
	:	ECF CASE
- against -	:	
	:	
YURMAN STUDIO, INC.	:	UNDERTAKING ON
	:	<u>STIPULATION AND ORDER</u>
Defendant.	:	
-----	X	
YURMAN STUDIO, INC.	:	Bond No. CMS 239332
	:	
Defendant-	:	
Counterclaimant,	:	
	:	
- against -	:	
	:	
ANDIN INTERNATIONAL, INC.,	:	
WAL-MART STORES, INC., and	:	
VARDI GEM LUSTRE, LLC	:	
	:	
Counterclaim-	:	
Crossclaim Defendants.	:	
-----	X	

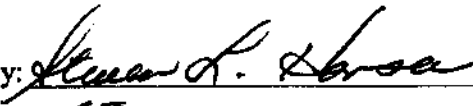
WHEREAS, by Stipulation and Order dated and filed on February 29, 2008 (the "Order"), plaintiff Andin International, Inc. ("Andin") was required to file an undertaking in favor of defendant-counterclaimant Yurman Studio, Inc. ("Yurman") in the sum of Two Hundred and Fifty Thousand Dollars (\$250,000.00), as a condition to obtaining the relief set forth in the Order;

NOW, THEREFORE, we, Andin, a corporation organized and existing under the laws of the State of New York, as Principal, and RLI Insurance Company, a corporation organized and existing under the laws of the State of Illinois and authorized to transact business in the State of New York, as Surety, in consideration of the premises and the issuance and entry


of the Order, do hereby jointly and severally undertake to pay to Yurman all sums set forth in the Order that may be decreed by the court to be owed to Yurman, such amount not to exceed the amount of Two Hundred and Fifty Thousand Dollars (\$250,000.00).

IN WITNESS WHEREOF, we have each set our hand this 4th day of March,
2008.

Andin International, Inc.

By: 
CEO

RLI Insurance Company

By: 
Michael Kubis, Attorney-in-Fact

SURETY ACKNOWLEDGMENT

Form 152

STATE OF NEW YORK
COUNTY OF NEW YORK

On this 4th day of March, 2008 before me personally came Michael Kubls to me known, who, being by me duly sworn, did depose and say that he resides in Kings County, NY that he is the ATTORNEY-IN-FACT of the RLI Insurance Company, the corporation described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

(SEAL)

Evangelina L. Dominick
NOTARY

EVANGELINA L. DOMINICK
Notary Public State of New York
01DO4769474
Qualified in Westchester County
Term Expires January 31, 2011

CORPORATE ACKNOWLEDGMENT

Form 152

STATE OF NEW YORK
COUNTY OF NEW YORK

On this 4th day of MARCH, 2008 before me personally came
— STEVEN HANSEN —

to me known, who, being by me duly sworn, did depose and say that he/she resides in
PARKLAND, FL that he/she is the CFO of
— ANDIN INTERNATIONAL INC —

the corporation described in and which executed the above instrument; that he/she knows the
seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it
was so affixed by order of the Board of Directors of said corporation, and that he/she signed
his/her name thereto by like order.

(SEAL)



CHRISTOPHER BECKSTROM
Notary Public, State of New York
No. 01BE6088633
Qualified in New York County
Commission Expires March 10, 2011



RLI Surety
P.O. Box 3967 | Peoria, IL 61612-3967
Phone: (800)645-2402 | Fax: (309)689-2036
www.rlicorp.com

POWER OF ATTORNEY

RLI Insurance Company

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired.

That RLI Insurance Company, an Illinois corporation, does hereby make, constitute and appoint:

Robert McDonough, Glenn Pelletiere, Thomas Rhatigan, Debra A. Deming, Betty Calderon, Cynthia Farrell, Halina Kazmierczak,
Vivian Carti, Sandra Diaz, Evangelina Dominick, Annette Leuschner, Ann Marie Keane, Michael Kubis, Susan Ravid, Valorie Spates,
jointly or severally.

in the City of New York, State of New York its true and lawful Agent and Attorney in Fact, with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, the following described bond.

Any and all bonds provided the bond penalty does not exceed Twenty Five Million Dollars (\$25,000,000.00).

The acknowledgment and execution of such bond by the said Attorney in Fact shall be as binding upon this Company as if such bond had been executed and acknowledged by the regularly elected officers of this Company.

The RLI Insurance Company further certifies that the following is a true and exact copy of the Resolution adopted by the Board of Directors of RLI Insurance Company, and now in force to-wit:

"All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation. The signature of any such officer and the corporate seal may be printed by facsimile."

IN WITNESS WHEREOF, the RLI Insurance Company has caused these presents to be executed by its Vice President with its corporate seal affixed this 22nd day of February, 2008.



RLI Insurance Company

By: Roy C. Die Vice President

State of Illinois }
County of Peoria } SS

CERTIFICATE

On this 22nd day of February, 2008, before me, a Notary Public, personally appeared Roy C. Die, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as the aforesaid officer of the RLI Insurance Company and acknowledged said instrument to be the voluntary act and deed of said corporation.

I, the undersigned officer of RLI Insurance Company, a stock corporation of the State of Illinois, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that the Resolution of the Company as set forth in the Power of Attorney, is now in force. In testimony whereof, I have hereunto set my hand and the seal of the RLI Insurance Company this 4th day of March, 2008.

By: Jacqueline M. Bockler Notary Public

RLI Insurance Company

By: Roy C. Die Vice President



3133266030110

A0058707



RLI Insurance Company
P.O. Box 9987 Peoria IL 61613-9987
Phone: 309-692-1900 Fax: 309-692-9987

RLI Insurance Company

December 31, 2006

Admitted Assets

Investments

Fixed maturities	\$ 670,305,364
Equity securities	695,699,804
Short-term investments	30,302,462
Real estate	6,969,219
Cash on hand and on deposit	-3,399,999
Other invested assets	9,900,000
Agents' balances	90,179,866
Investment income due and accrued	6,906,490
Funds held	4,000
Reinsurance recoverable on paid losses	23,767,293
Federal income taxes receivable	0
Electronic data processing equipment, net of depreciation	1,987,717
Receivable from affiliates	0
Other admitted assets	4,713,644

Total Admitted Assets \$ 1,366,310,095

State of Illinois

County of Peoria

Liabilities and Surplus

Liabilities

Reserve for unpaid losses and loss adjustment expenses	\$ 389,374,189
Unearned premiums	189,212,740
Accrued expenses	49,749,632
Funds held	919,939
Advance premiums	3,690,752
Amounts withheld	13,495,229
Ceded reinsurance premium payable	39,693,791
Payable for securities	1,062,320
Statutory penalties	3,647,600
Federal income tax payable	23,911,934
Borrowed money and accrued interest	0
Drafts outstanding	0
Payable to affiliates	1,024,009
Other liabilities	1,519,606

Total Liabilities \$ 919,404,890

Surplus

Common stock	\$ 10,000,375
Additional paid-in capital	242,491,064
Unassigned surplus	494,495,956

Total Surplus \$ 746,987,415

Total Liabilities and Surplus \$ 1,366,310,095

The undersigned, being duly sworn, says: That he is the President of RLI Insurance Company; that said Company is a corporation duly organized, in the State of Illinois, and licensed and engaged in business in the State of NEW YORK and has duly complied with all the requirements of the laws of said State applicable of said Company and is duly qualified to act as Surety under such laws; that said Company has also complied with and is duly qualified to act as Surety under the Act of Congress approved July 1947, 6U.S.C sec. 6-13; and that to the best of his knowledge and belief the above statement is a full, true, and correct statement of the financial condition of the said Company on the 31st day of December 2006.

Attest:



{ Corporate
Seal
Affixed }

Michael J. Stone President
Cynthia S. Dohm Assistant Secretary

Sworn to before me this 23rd day of February, 2007.



{ Notarial
Seal
Affixed }

Cheryl L. Montgomery Notary Public, State of Illinois

MD058307

**CERTIFICATE OF SOLVENCY UNDER SECTION 1111 OF THE NEW YORK
INSURANCE LAW**

**STATE OF NEW YORK
INSURANCE DEPARTMENT**

It is hereby certified that

**RLI Insurance Company
of Peoria, Illinois**

a corporation organized under the laws of the State of Illinois, and duly authorized to transact the business of insurance in this State, is qualified to become surety or guarantor on all bonds, undertakings, recognizances, guaranties and other obligations required or permitted by law; and that the said corporation is possessed of a capital and surplus including gross paid-in and contributed surplus and unassigned funds (surplus) aggregating the sum of \$691,758,11.00 (Capital \$10,000,375.00), as is shown by its sworn financial statement for the quarter ended September 30, 2005 on file in this Department, prior to audit.

The said corporation cannot lawfully expose itself to loss on any one risk or hazard to an amount exceeding 10% of its surplus to policyholders, unless it shall be protected in excess of that amount in the manner provided in Section 4118 of the Insurance Law of this State.



In Witness Whereof, I have hereunto set my hand and affixed the official seal of this Department at the City of Albany, this 6th day of December, 2006.

Howard Mills
Superintendent of Insurance

By 
Salvatore Castiglione
Special Deputy Superintendent

<http://www.ins.state.ny.us>